

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

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In re:	:	Chapter 11
	:	
EMAS CHIYODA SUBSEA LIMITED, <i>et</i>	:	Case No. 17-31146 (MI)
<i>al.,</i>	:	
	:	(Jointly Administered)
Debtors.¹	:	
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**NOTICE OF SALE, BIDDING PROCEDURES, AUCTION, AND SALE
HEARING REGARDING LEWEK FALCON VESSEL**

1. On, December 8, 2017, Lewek Falcon Shipping Pte. Ltd. (the “Debtor”) filed with the Bankruptcy Court for the Southern District of Texas, its motion for (I) An Order (A) Establishing Bid Procedures Related to the Sale of the Lewek Falcon Vessel, (B) Scheduling a Hearing to Consider the Proposed Sale and Approving the Form and Manner of Notice Thereof, and (C) Granting Related Relief, and (II) An Order (A) Approving the Proposed Sale And (B) Granting Related Relief (the “Sale Motion”).²

2. On December 14, 2017, the Bankruptcy Court entered the Bidding Procedures Order [Docket No. 798]. A copy of the Bidding Procedures Order is attached hereto.

3. Under the Bidding Procedures Order, **the deadline to submit Qualified Bids is January 10, 2018.**

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s tax identification number and jurisdiction of formation are as follows: EMAS CHIYODA Subsea Limited (UK) (3187); EMAS Chiyoda Subsea Inc. (Delaware) (7884); EMAS CHIYODA Subsea Marine Base LLC (Texas) (5974); Lewek Falcon Shipping Pte. Ltd. (Singapore) (041E); EMAS CHIYODA Marine Base Holding Co., LLC (Texas) (7463); EMAS Chiyoda Subsea Services Pte. Ltd. (Singapore) (333Z); EMAS-AMC Pte. Ltd. (Singapore) (0442); EMAS Saudi Arabia Ltd. (Saudi Arabia) (0669); Lewek Constellation Pte. Ltd. (Singapore) (376E); EMAS CHIYODA ROV Pte. Ltd. (Singapore) (049M); EMAS CHIYODA Subsea Services B.V. (Netherlands) (4073); EMAS CHIYODA Subsea Services (UK) Limited (Scotland) (3187); EMAS CHIYODA Subsea Services LLC (Delaware) (1728); EMAS CHIYODA Subsea (Thailand) Co., Ltd. (Thailand) (1011); Gallatin Marine Management, LLC (Delaware) (8989). The address of the Debtors’ U.S. headquarters is 825 Town & Country Ln, Suite 1500, Houston, TX 77024.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Sale Motion. Any summary of the Bidding Procedures and the Bidding Procedures Order contained herein is qualified in its entirety by the actual terms and conditions in the Bidding Procedures or the Bidding Procedures Order, as applicable. To the extent that there is any conflict between any such summary and such actual terms and conditions, the actual terms and conditions shall control.

4. If multiple Qualified Bids are received, the Debtor will file a Notice of Qualified Bids by January 12, 2018.

5. If multiple Qualified Bids are received, an auction for the Falcon Vessel will be conducted on January 16, 2018, commencing at 10:00 a.m. Central Time at the office of Porter Hedges, LLP, 1000 Main Street, 36th Floor, Houston, Texas 77002. Only Qualified Bidders may participate at the auction.

6. **The deadline to object to the proposed sale is January 17, 2018 at 5:00 p.m.**

7. A hearing to approve the sale to the party submitting the Highest and Best Bid shall take place on January 18, 2018 at 2:00 p.m. in Courtroom 404, 515 Rusk, Houston, Texas 77002.

8. **THE FAILURE OF ANY PERSON OR ENTITY TO FILE AND SERVE AN OBJECTION BY THE OBJECTION DEADLINE SHALL BE A BAR TO THE ASSERTION BY SUCH PERSON OR ENTITY OF ANY OBJECTION TO THE SALE MOTION, THE SALE ORDER, THE SALE TRANSACTION, OR THE SALE.**

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ENTERED
12/14/2017

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:

: Chapter 11

EMAS CHIYODA SUBSEA LIMITED, *et*
al.,

: Case No. 17-31146 (MI)

: (Jointly Administered)

Debtors.¹

**ORDER (A) ESTABLISHING BID PROCEDURES RELATED TO THE SALE OF THE
LEWEK FALCON VESSEL, (B) SCHEDULING A HEARING TO CONSIDER THE
PROPOSED SALE APPROVING THE FORM AND MANNER OF NOTICE THEREOF,
AND (D) GRANTING RELATED RELIEF
(Relates to Docket No. ____)**

The Court has considered Lewek Falcon Shipping Pte. Ltd.'s Motion for an Order (A) Establishing Bid Procedures Related to the Sale of the Lewek Falcon, (B) Scheduling a Hearing to Consider the Proposed Sale and Approving the Form and Manner of Notice Thereof, and (C) Granting Related Relief (the "Motion"). The Court finds that notice of the motion is sufficient under the circumstances; the requested relief is appropriate. Accordingly, it is

ORDERED THAT:

1. The relief requested in the Motion is **GRANTED** as set forth herein.
2. The following bidding procedures are hereby approved:
 - a. **Access to Diligence Materials:** In order to access the Falcon Debtor's diligence materials related to the Falcon Vessel, a Potential Bidder must meet the following requirements: (a) execute a confidentiality agreement, in form and substance satisfactory to the Falcon Debtor, and (b) provide current audited financial statements, or, if the Potential Bidder is an entity formed for the purpose of acquiring the Falcon Vessel, current audited financial statements of the equity holder(s) of the Potential Bidder, who

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shall guarantee the obligations of the Potential Bidder or such other form of financial disclosure and credit-quality support or enhancement acceptable to the Falcon Debtor and its advisors.

- b. **Qualified Bidders.** Only Qualified Bidders may participate in the bidding process. To become a Qualified Bidder, a potential bidder must (i) execute and deliver to the Falcon Debtor a confidentiality agreement, (ii) deposit with the Falcon Debtor the sum of \$4,500,000 (each, the “Bidder’s Deposit”), which deposit shall be refundable only as described below; (iii) submit to the Falcon Debtor an irrevocable, unqualified and binding cash bid in an amount not less than \$45,000,000, along with an executed asset purchase agreement that does not include any representations or warranties by the Falcon Debtor regarding the validity or priority of maritime liens or encumbrances that may survive the sale, and (iv) submit to the Falcon Debtor financial and other information, including support indicating the availability of funds to satisfy its purchase price, sufficient to allow the Falcon Debtor to make a reasonable determination as to such bidder’s ability to consummate a sale as contemplated herein (each, a “Qualified Bid”). OCBC shall be permitted to credit bid at the Auction without submitting any Qualified Bid or Bidder’s Deposit and shall be deemed a “Qualified Bidder.”
- c. **Bid Deadline.** Qualified Bids must be delivered to counsel for the Falcon Debtor, Aaron Power, via email (apower@porterhedges.com) on or before **January 10, 2018.**
- d. **Notice of Qualified Bidders.** On or before January 12, 2018, the Falcon Debtor shall file a notice with the Court identifying all Qualified Bidders and attaching copies of all bids that were timely received. The Falcon Debtor shall serve a copy of the notice and the corresponding bids on all Qualified Bidders by facsimile or electronic mail.
- e. **Auction.** If one or more timely Qualified Bids are received, an open auction for the Falcon Vessel will be conducted on January 16, 2018, commencing at 10:00 a.m. Central Time at the offices of Porter Hedges LLP, 1000 Main Street, 36th Floor, Houston, Texas. Only Qualified Bidders may participate in the auction. Creditors and other parties in interest may attend the auction but may not participate. All Qualified Bidders, or their authorized representatives, must be physically present or present via teleconference at the auction. At the commencement of the auction, the Falcon Debtor shall announce the bidding order, which shall be based on: (i) the amount of the Qualified Bidder’s bid (from low to high); and (ii) if Qualified Bids are identical, the time the Qualified Bids were delivered to the Falcon Debtor (the first such received identical bid going first in the auction). Minimum overbid increments at the auction shall be in the amount of not less than \$250,000 (the “Minimum Overbid”). Other than as set forth in this paragraph, the Falcon Debtor, in consultation with their professionals, may conduct the Auction in the

manner they determine will result in the highest, best or otherwise financially superior offer.

- f. **Selection of the Highest and Best Bid.** At the conclusion of the auction, the Falcon Debtor shall announce the highest and best Qualified Bid (the "Highest and Best Bid") and the next highest and best Qualified Bid (the "Back-Up Bid"). The Falcon Debtor may seek approval of the Highest and Best Bid at the Sale Hearing. If for any reason, the Qualified Bidder submitting the Highest and Best Bid fails to timely consummate the purchase of the Falcon Vessel, the Falcon Debtor may seek to consummate a sale based on the Back-Up Bid without further approval by the Court. The Back-Up Bid and the obligation of the party submitting such bid to consummate the purchase of the Falcon Vessel shall remain open and in full force, including with respect to the Bidder's Deposit, until the close of a sale of the Falcon Vessel to the party making the Highest and Best Bid or the party making the Back-Up Bid.
- g. **Deadline to Object to Sale.** All objections to the proposed sale must be filed on or before January ~~18~~¹⁷, 2018 at 5:00 p.m.
- h. **Sale Hearing.** A hearing to approve a sale based on the Highest and Best Bid shall take place on January ~~19~~¹⁷, 2018, at 2:00 p.m. in Courtroom 404, 515 Rusk, Houston, Texas 77002. ¹⁷
- i. **Return of Deposits.** Within three business days after the conclusion of the auction described above, the Falcon Debtor shall return by check or wire the full amount of the Bidder's Deposit submitted by each party that is not selected as submitting the Highest and Best Bid or the Back-Up Bid. If the sale of the Falcon Vessel is consummated with the party submitting the Highest and Best Bid, the Bidder's Deposit of the party that is declared the Back-Up Bid shall be returned by check or wire transfer within three business days after the closing of the sale to the party submitting the Highest and Best Bid.
- j. **Notice of Bid Procedures, Auction, and Sale Hearing.** On the next business day following the entry of this Order, the Falcon Debtor will serve by email or first-class mail a copy of the order and a notice containing the date of the Auction, the Sale Hearing, and the deadline to file objections to the sale to: (i) all potential purchasers previously identified or solicited by the Falcon Debtor and their professionals; (ii) the Office of the United States Trustee; (iii) the Internal Revenue Service; (iv) counsel for OCBC, (v) all parties who are known to possess or assert a lien, claim, encumbrance or interest in or upon the Falcon Vessel; (vi) all applicable United States, state and local regulatory or taxing authorities, recording offices or any governmental entity which have a reasonably known interest in the Falcon Vessel; and (vii) all parties on the most current master service list filed in this case. Such notice shall be sufficient and proper notice of the sale with respect to known interested parties.

3. Pursuant to Bankruptcy Rules 7062, 9014, 6004(h) and 6006(d), this Order shall be effective immediately upon entry.

4. The Court shall retain jurisdiction to, among other things, interpret, implement, and enforce the terms and provisions of this Order.

5. The Falcon Debtor is authorized to take all actions necessary to effectuate the relief granted pursuant to this Order.

SIGNED this 14 day of December, 2017.



MARVIN ISGUR
UNITED STATES BANKRUPTCY JUDGE